

6F20

October 14, 1981

NOTE FOR: DD/GI

David:

Your action please. Maybe you can get
☐ to do it...Anyway, I'll need the letter
COB Monday the 19th. Thanks.

STAT

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NFAC Action Officer

HAND CARRY

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EXECUTIVE SECRETARIAT

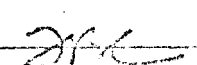
Routing Slip

N/A

TO:		ACTION	INFO	DATE	INITIAL
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2	DDCI		X		
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4	DD NFA	X			
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		SUSPENSE	20 October		
			Date		

Remarks:

Please prepare acknowledgment for DCI's signature.


 Executive Secretary

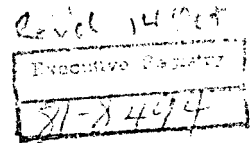
14 Oct 81

Date

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THE UNIVERSITY OF TEXAS AT AUSTIN
AUSTIN, TEXAS 78712



NFAC 6533-81

Department of Economics
Business-Economics Bldg. 400
512/471-3211

LBJ Library
2313 Red River Street
Austin, Texas 78705
October 6, 1981

Dear Mr. Casey:

One of your young and able minions [redacted] a former student), knowing of my interest in Cancun, suggested you might wish to see these papers I've filed with both Al Haig and Dick Allen. I also had a word yesterday with Ed Meese about this approach.

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In no way should my access to these colleagues of yours be interpreted as influence; but the papers may interest you.

Having worked on several summit conferences since my first adventure in 1955 (Open Skies at Geneva), I am convinced that the dynamics of such occasions, the inescapable role of the U.S., and the strategic implications of the North-South problem require President Reagan to emerge with a positive proposal, not simply a defense against the proposals of others. This one is designed to be:

- responsive to the problem;
- consistent with previous administration statements; and
- capable of relegating the old, sterile New International Economic Order approach to the junk heap of history.

The best defense is a good offense; and I think the energy-food approach could dominate Cancun as Open Skies dominated Geneva.

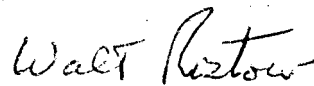
Put another way, I believe it would be a disaster for American diplomacy if President Reagan were to go to Cancun with the "damage limitation" defensive approach the bureaucrats are likely to cook up. As you know better than anyone else in the administration, our really major crises are likely to continue to come in the developing regions.

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The kind of North-South energy-food partnership I propose would, of course, not end the possibility of such crises; but without such a partnership we're likely to see crises in the future which will make our present difficulties in the Caribbean and Central America look like child's play.

I'm pleased we had a chance to meet at yesterday's AWACS session which I thought exceedingly well run.

Yours,

A handwritten signature in cursive script, reading "Walt Rostow".

W. W. Rostow

The Honorable William J. Casey
Director of Central Intelligence
Central Intelligence Agency
Washington, D. C. 20505

Draft Statement on Energy and Agriculture for President Reagan,

Cancun, 1981

Note: It is assumed that the President will preface the kind of proposal suggested here by asserting four general propositions, some of which have already been stated by the President and Secretary of State:

-- The greatest contribution the advanced industrial countries can make to the developing countries is to bring inflation under control and to resume high regular growth rates.

-- The domestic sacrifice necessary to achieve this objective in the United States, combined with the need to bring about a safer strategic balance, inevitably limits the capacity of the United States to increase foreign aid at the present time.

-- The lesson of development over the thirty years or so since it has been high on the international agenda is that it is primarily a task for each national society. There is no way assistance from abroad can substitute for domestic measures of self-help.

-- A further lesson is that the most successful of the developing nations have found ways to reconcile their legitimate and fundamental national interests with the import of private capital, carrying with it not merely external resources but the transfer of technology and, in many cases, useful administrative skills.

Draft Text

At the present time North-South multilateral economic negotiations are bogged down with a complex agenda on which little progress has been made despite eight years of serious discussion and debate. Indeed, it is because of our common frustrations that we have gathered here at Cancun.

Over the months since I accepted the invitation to join you in these meetings, I have searched for a way to help break out of these frustrations and launch an effective common effort of authentic mutual interest.

After studying the problems of both the developing nations and the advanced industrial countries, I have concluded that the place to begin is by bringing together the responsible officials of the governments around two fundamental problems: energy and agriculture.

With very few exceptions, our countries, North and South, oil exporters and oil importers, face the urgent problem of both discovering more oil and natural gas and developing alternative energy resources as oil production declines. The rate of increase of energy consumption in the developing regions is much more rapid than in Western Europe, Japan, and North America. The high cost of oil imports is a heavy burden on the balance of payments of many developing countries. It is our common interest that energy requirements in developing countries be met to the maximum degree economically and technically feasible by local production.

So, I propose, let us all go to work on energy.

As for agriculture, the problem is equally serious and affects even more directly the lives of men, women and children. The problem is that

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the rate of growth of food production in the developing regions is not keeping up with the rate of growth of population and minimum requirements for an adequate diet. Even if birth rates continue to decline over the next twenty years, there will be a great surge of population increase in Latin America, Africa, the Middle East, and Asia. The food exporters are helping and will continue to help. But the scale of the problem is such that most developing nations must raise the priority accorded agricultural production and meet a higher proportion of their needs from domestic production. The children we bring into the world need and deserve to be decently fed from birth if they are to fulfill their God-given physical and mental capacities.

So, I propose, let's all go to work on accelerating agricultural output and productivity in the developing regions.

How should this be done?

I suggest for your consideration -- and the consideration of the governments not represented here -- that the common effort in energy and agriculture might proceed in something like this way.

First, each government might, in the light of its problems and possibilities, set energy and agricultural targets for, say, 1990 and the year 2000.

Second, each government establish broadly what it can do on its own to achieve those targets.

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Third, I have concluded that it is unlikely that serious work on energy and food can be conducted in a global forum with 154 (?) countries around the table. Therefore, I propose that the three regional development banks -- in Latin America, Africa, and Asia -- with the active support of the World Bank and the FAO, bring together interested countries to compare these targets, establish the possibilities for mutual support and assistance within the regions, and the requirements for external assistance. Where regional institutions do not exist -- or governments prefer other arrangements -- the World Bank might discuss the national targets and means for achieving them. So far as the United States is concerned, we would urge that the potentialities of private capital flows and technical assistance be exploited to the maximum, notably in the field of energy.

Fourth, to be effective, I believe the participants in these meetings should be those who bear direct operating responsibility for energy and agriculture within their countries.

If a substantial consensus emerges that we should move forward in something like this way, our government would be prepared to participate in the regional meetings and play an appropriate, equitable role in helping solve the problems that emerge.

W. W. Rostow
October 2, 1981